# WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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#### STATE OF WISCONSIN BEFORE THE DEPARTMENT OF REGULATION AND LICENSING

IN THE MATTER OF A PETITION FOR

AN ADMINISTRATIVE INJUNCTION

INVOLVING

FINAL DECISION

AND ORDER

KENT L. EMERSON AND

LAKE CITY MANAGEMENT, LLC,

RESPONDENTS.

LS0910271REB

Division of Enforcement Case No. 06 REB 009

The State of Wisconsin, Department of Regulation and Licensing, having considered the above-captioned matter and having reviewed the record and the Proposed Decision of the Administrative Law Judge, makes the following:

#### **ORDER**

NOW, THEREFORE, it is hereby ordered that the Proposed Decision annexed hereto, filed by the Administrative Law Judge, shall be and hereby is made and ordered the Final Decision of the State of Wisconsin, Department of Regulation and Licensing.

The rights of a party aggrieved by this Decision to petition the department for rehearing and the petition for judicial review are set forth on the attached "Notice of Appeal Information."

Celia M. Jackson, S

Department of Regulation and Licensing

Emerson/Kent/pah

## State Of Wisconsin DIVISION OF HEARINGS AND APPEALS

In the Matter of the Petition for an Administrative Injunction involving Kent L. Emerson and Lake City Management, LLC, Respondents

PROPOSED DECISION AND SPECIAL ORDER Case No. LS0910271REB

Division of Enforcement Case No. 06 REB 009

The parties to this proceeding for purposes of Wis. Stat § 227.53 are:

Kent L. Emerson 5107 Linden Parkway McFarland, WI 53558

Lake City Management, LLC 2817 Fish Hatchery Road Fitchburg, WI 53713

Department of Regulation and Licensing Division of Enforcement P.O. Box 8935 Madison, WI 53708-8935

Real Estate Board P. O. Box 8935 Madison, WI 53708-8935

#### PRELIMINARY RECITALS

Petitioner, the Wisconsin Department of Regulation and Licensing (DRL), filed a petition under Wis. Admin. Code § RL 3.07 (November 2007) to make findings that Respondents have engaged in a practice or used a title without a credential required under chapters 440 to 459 of the Wisconsin Statutes. DRL has requested that a Special Order be issued enjoining Respondents from engaging in the practice of real estate (the business of property rental for others) without a license. No hearing was held in this matter because Respondents have defaulted.

The issue for determination is whether a Special Order may be issued enjoining Respondents from engaging in the practice of real estate (the business of property rental for others) without a license.

#### FINDINGS OF FACT

- 1. The first respondent in this petition is Kent L. Emerson. Mr. Emerson's most current address on file with DRL is 5107 Linden Parkway, McFarland, WI 53558.
- 2. The second respondent in this petition is Lake City Management, LLC, whose most current address on file with DRL is 2817 Fish Hatchery Road, Fitchburg, WI 53713. Lake City Management, LLC, is wholly owned and operated by Kent L. Emerson.
- 3. Respondent Kent L. Emerson was licensed as a real estate broker in the State of Wisconsin pursuant to license #51003-90. The license was originally granted on March 26, 2002 and it expired on December 31, 2004.
- 4. Respondent Lake City Management LLC was licensed as a real estate entity in the State of Wisconsin pursuant to license # 700264-91. The license was first granted on August 4, 1999 and it expired on December 31, 2006.
- 5. Notwithstanding the expiration of their licenses, both Respondents have continuously engaged in the business of property rental and management for others, since initially licensed.
- 6. On December 5, 2006, an investigator for DRL sent a certified letter to Respondent Emerson, requesting a response to a report filed by a former client. Respondent signed for the letter. On December 21, 2006, the investigator telephoned Respondent's office and spoke to a member of his staff, requesting a response to the letter. No response was received. On July 23, 2007, an investigative subpoena was issued and served upon Respondent, and a response was finally received on or about August 13, 2007.
- 7. On May 26, 2009, an investigator for DRL personally met with Respondent Emerson, and informed him that his license had expired, both individually and as a business. Respondent Emerson stated that he would immediately renew both licenses.
- 8. As of October 25, 2009, neither license had been renewed, and Respondents have continued in business.
- 9. The Petition in this matter was filed by DRL with the Division of Hearings and Appeals (DHA) on October 27, 2009 and served by DRL on Respondents October 29, 2009.
  - 10. Both Respondents have failed to file an Answer in this matter as required by law.

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#### **DISCUSSION**

As noted above, the Petition in this matter was filed by DRL with DHA on October 27, 2009 and served by DRL on Respondents October 29, 2009. An Answer to a Petition must be filed with 20 days from the date of service of the Petition. Wis. Admin. Code § RL 3.08(4) (November 2007). Neither Respondent in this matter has filed an Answer. If a Respondent fails to Answer as required by law the Respondent is in default and findings may be made and an Order entered on the basis of the Petition and other evidence. Wis. Admin. Code § RL 3.13 (November 2007). Respondents in this matter are in DEFAULT. Accordingly, the above findings have been made and an Order entered on the basis of the Petition and other evidence.

The business of property rental for others requires a Real Estate license. Wis. Stat. §§ 452.01(2)(h), 452.01(6), 452.03 & 452.21 (2007-08). Neither of the Respondents have the required Real Estate license. A Special Order may be issued enjoining a person from the continuation of a practice, such as the business of property rental for others, if that practice is done without the required license. Wis. Stat. § 440.21(2) (2007-08); Wis. Admin. Code § RL 3.05intro. (November 2007). According, a Special Order will be issued in this matter enjoining Respondents from continuing the practice of the business of property rental for others. Respondents are advised that any person who violates a Special Order may be required to forfeit not more than \$10,000 for each offense. Furthermore, each day of a continuing violation constitutes a separate offense. Wis. Stat. § 440.21(4)(a) (2007-08).

#### **CONCLUSIONS OF LAW**

For the reasons discussed above, a Special Order will be issued in this matter enjoining Respondents from continuing the practice of the business of property rental for others.

#### SPECIAL ORDER

For the reasons set forth above, IT IS ORDERED that the Respondents are enjoined from continuing the practice of the business of property rental for others.

Dated at Madison, Wisconsin on November 30, 2009.

STATE OF WISCONSIN **DIVISION OF HEARINGS AND APPEALS** 

5005 University Avenue, Suite 201

Madison, Wisconsin 53705

(608) 266-7709 Telephone: FAX:

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By:

Sean P. Maloney

Administrative Law Judge